

Message Text

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PAGE 01 LAGOS 03336 181005Z POSS DUPE
ACTION AF-10

INFO OCT-01 EB-08 ISO-00 AID-05 CIAE-00 FRB-03 INR-10
NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 SIL-01 OMB-01 L-03 SS-15 NSC-05 SIG-03
/082 W

-----040112 181152Z /10

P R 160945Z MAR 78
FM AMEMBASSY LAGOS
TO USDOC WASHDC PRIORITY
SECSTATE WASHDC 7195
INFO AMCONSUL IBADAN
AMCONSUL KADUNA

LIMITED OFFICIAL USE LAGOS 3336

E.O. 11652: N/A
TAGS: ETRD, EFIN, NI
SUBJECT: NO LETTERS OF CREDIT UNTIL APRIL 1

1. BEGIN UNCLASSIFIED. NIGERIAN CENTRAL BANK ON MARCH 15 NOTIFIED ALL BANKS HERE THAT IT WOULD NOT APPROVE ANY LETTERS OF CREDIT FROM MARCH 16 TO MARCH 31 INCLUSIVE. THE CENTRAL BANK DIRECTIVE WAS ISSUED WITHOUT ANY CONSULTATION WITH LOCAL FINANCIAL COMMUNITY, BUT PRIVATE BANKERS ARE CERTAIN CENTRAL BANK ACTED TO HALT NEAR EXPONENTIAL INCREASE IN LETTER OF CREDIT APPLICATIONS BY LOCAL MERCHANTS WHO WANTED TO SECURE FOREIGN EXCHANGE APPROVAL FOR CONSUMER GOODS IMPORTS BEFORE EXPECTED TRADE RESTRICTIONS ARE ANNOUNCED ON APRIL 1. LETTERS OF CREDIT APPROVED BEFORE MARCH 16 ARE NOT AFFECTED.

2. COMMENT. ALTHOUGH U.S. AND ALL OTHER NEW EXPORT TRADE COMMITMENTS TO NIGERIA WILL BE STOPPED FOR TWO WEEKS, EM ASSY BELIEVES THAT LETTER KF CREDIT APPROVAL WILL RECOMMENCE APRIL 1 AS INDICATED ALTHOUGH LARGE NUMBER OF NIGERIAN IMPORTS WILL LIKELY BE
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BANNED OUTRIGHT OR PUT UNDER HEAVY LICENSING RESTRICTIONS AT THAT TIME. END UNCLASSIFIED.

3. BEGIN LOU. THE LATEST CENTRAL BANK ACTION IS ANOTHER EXAMPLE OF THE FMG USING A BATTLE AXE WHEN A SCALPEL WOULD DO. THE DIRECTIVE WHICH IS DESIGNED TO STOP THE SURGE IN FOREIGN EXCHANGE COMMITMENTS FOR CONSUMER GOODS ALSO

STOPS THE IMPORT OF COMMODITIES (E.G. RICE) AND RESOURCES
(E.G. SEMI-FABRICATED STEEL) NEEDED TO KEEP THE ECONOMY
ABOVE WATER. TWO-WEEK BAN IS NOT LONG ENOUGH TO SERIOUSLY
DAMAGE THE ECONOMY BUT IT WILL INCREASE INFLATIONARY
PRESSURE IN FORM OF ADDITIONAL DELAYS AND PROJECT
DISRUPTION WHICH IS IRONIC SINCE THE FMG RECENTLY HAS
MADE MUCH PROGRESS IN REDUCING SHIPING/OFF LOADING
DELAYS IN LAGOS HARBOR. END LOU.
EASUM

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CENTRAL BANK, LETTERS OF CREDIT
Control Number: n/a
Copy: SINGLE
Draft Date: 16 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LAGOS03336
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780120-0902
Format: TEL
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780361/aaaabzkh.tel
Line Count: 71
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f81f4bc6-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3311769
Secure: OPEN
Status: NATIVE
Subject: NO LETTERS OF CREDIT UNTIL APRIL 1
TAGS: ETRD, EFIN, NI
To: COM STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f81f4bc6-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014